

CLANN, BELL & MURPHY

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October 18, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bob and Stella Casale

Re: Hercules Offshore Company
Reply to Your Letter Dated October 5, 1989
Our Ref.: 704-00

Dear Mr. and Mrs. Casale:

Our firm represents Hercules Offshore Company of Freeport, Texas. We have been asked to respond to your letter of October 5, 1989, and to address as well your repeated efforts to disrupt Hercules' business.

You have consistently complained about odors, and it appears as though you blame Hercules for all such odors, irrespective of their source. On Sunday, October 15, 1989, you apparently noticed that a Dow Chemical barge was in Hercules' yard for cleaning, and you complained to Dow about the odors. That barge contained caustic, which is odorless. No one doubts that there was an odor on Sunday--Hercules personnel also noticed it, so the source was obviously farther upwind.

This is only the most recent specific instance in which you have unjustly blamed Hercules. You have chosen to live on a heavily traveled industrial waterway. While it may not be legal to vent barges moving along the Intercoastal, you know as well as we do that it does happen. The frequency with which you complain about odors that do not correspond to any activity at the Hercules yard, and particularly your complaints about odors after midnight, when Hercules does not operate, leads us to suspect that very many of the odors you complain about have nothing to do with the Hercules operation.

You are correct in noting that Hercules recently had a problem with overspray of blasting sand, and received a Notice of Violation from the Texas Air Control Board. Hercules corrected that situation to the satisfaction of the TACB and is now operating in

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compliance with applicable regulations. In addition, Hercules is in the process of installing protective netting that will exceed TACB requirements.

With respect to your complaints concerning noise, it appears that you are either badly exaggerating or are again blaming Hercules for problems that someone else has caused. Specifically, you refer to Hercules as a "seven day a week, twenty four hour a day" noise problem. Hercules does not operate a night shift at present, and generally ceases operations at or before nightfall. As you may know, Freeport has ordinances that would limit the hours during which noisy operations can be conducted, and Hercules strictly complies.

As you recall, the City of Freeport considered the zoning of the Hercules property last spring. You appeared and opposed the rezoning, complaining of noise and odors. The City of Freeport heard and considered the testimony, then granted the rezoning over your objections.

Hercules attempts to operate in conformity with all applicable laws and regulations, including environmental requirements and zoning regulations. Hercules conducts a lawful and necessary business, and it is entitled to do so. You apparently take the position that Hercules should not be operating its business at its present location. However, the City of Freeport's approval of the zoning under which Hercules operates demonstrates that in the city's view, Hercules is operating at an appropriate location and in an appropriate manner.

Hercules believes in being a good neighbor. It has voluntarily instituted programs and undertaken expenses to minimize any impact its operations might have on your property. Despite that, there have been minor problems in the past, and there may again be in the future. Hercules will continue to minimize those problems to the best of its ability, and to correct problems as rapidly as it can do so and to the greatest extent practicable. In that regard, we welcome your direct communication concerning any problems you believe may exist. Should you not wish to communicate directly with Hercules, you do of course have the right to communicate directly with regulatory authorities, and Hercules will cooperate with them.

Your communications with Hercules' customers, however, is another matter. We do not believe that you have a legal right to make false accusations concerning the Hercules operations to its customers, such as complaining to Dow about the so-called "odors" from a caustic barge. Should you persist in making false accusations

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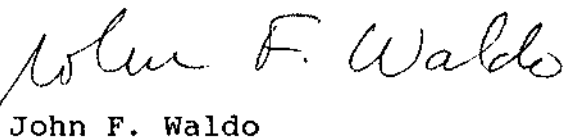
to Hercules' customers, Hercules may have no choice but to seek its legal remedies against you, including seeking recompense for any business that Hercules might lose because of your false accusations.

Hercules can understand that you might prefer to live on a section of waterfront that is not used for commercial or industrial purposes. But that is not the character of the property you bought. Hercules bought and paid for its property, and it is entitled to make a reasonable use of its property. It will not and need not abandon its property altogether simply to benefit you and your property.

We hope this letter has clarified Hercules' position, and cleared up certain misunderstandings that you may have had. Again, Hercules wants to be a good neighbor. At the same time, though, Hercules is not going to abandon its business because of unwarranted harassment, and intends to protect itself from any false accusations of improper operations.

Very truly yours,

CLANN, BELL & MURPHY


John F. Waldo

JFW:cmc
E704-00.BSC

cc: Attached List

Jeff Fourrier

Texas Air Control Board
6330 Highway 200 East
Austin, Texas 78723

Dennis and Joann Hensler

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Freeport, Texas 77541

B. K. and Deresa Schoggins

U.S. Coast Guard
Marine Safety
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Mike Momsen

Ruth Busby

Environmental Protection
Agency
1445 Ross Avenue
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Betty Lewis

The Honorable Tom DeLay
U.S. Representative
9000 Southwest Freeway
Suite 205
Houston, Texas 77074

Julie Gunsworth

The Honorable John Willy
State Representative
P.O. Box 2910
Austin, Texas 78768-2910

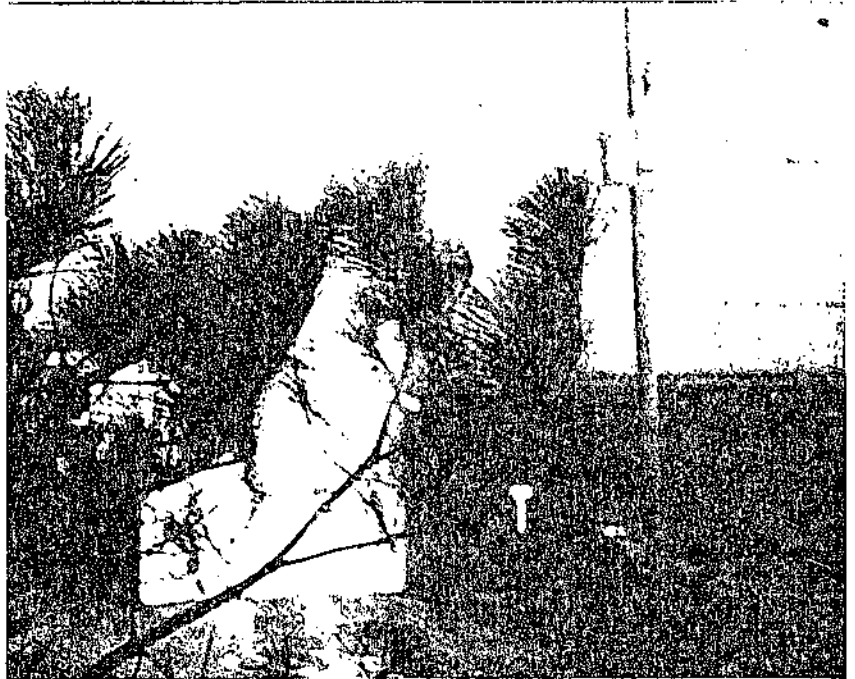
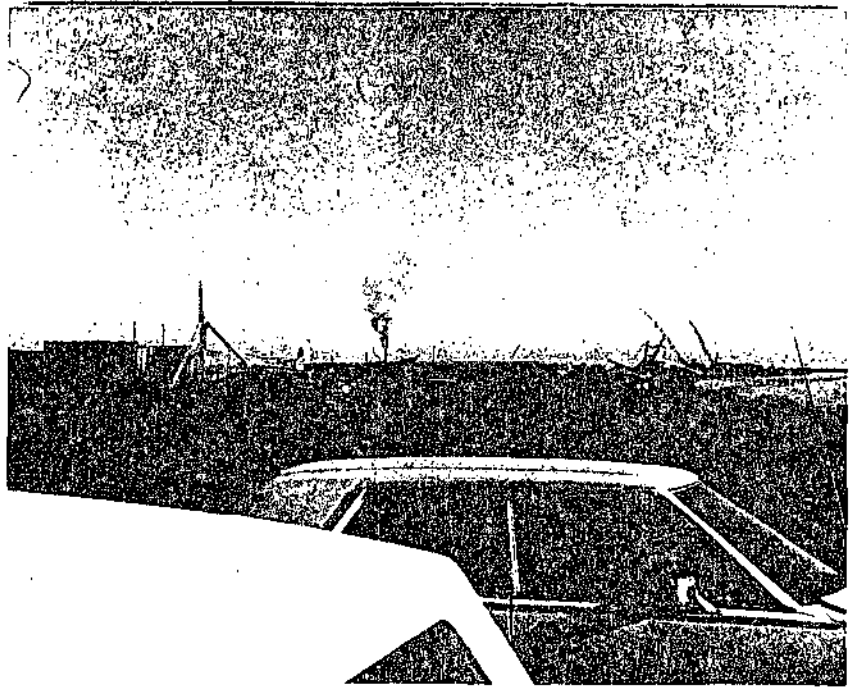
Frank and Dorothy Pirrling

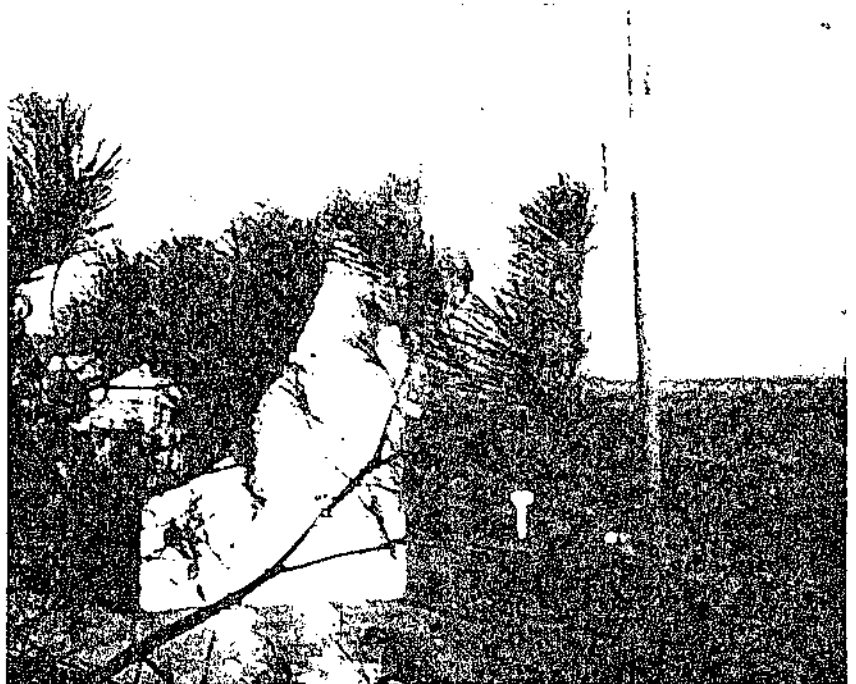
The Honorable J. E. Brown
State Senator
P.O. Box 12068
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Bob J. Armstrong

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Ben Schnapp





BOB
CASALE

DEAD
PINE
TREE

